

Message Text

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14-12

ACTION EA-10

INFO OCT-01 ISO-00 EB-07 COME-00 L-03 H-02 AGR-10 OPIC-06

/039 W

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R 280445Z MAY 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 8387

UNCLAS JAKARTA 6391

EA/IMS AND EA/EP FOR GEBER/IMUS

EO 11652: N/A

TAGS: BDIS ID

SUBJ: FERTILIZER-CONGRESSIONAL INQUIRY AND REQUEST
FOR INFORMATION

REF: A. STATE 100855 B. STATE 114887

C. JAKARTA 13112 OCT 25, 1974 D. USDOC 17731 DEC 2, .74

1. AS REQUESTED BY REF A LETTER WAS SENT TO GENERAL MUSKITA. EMBASSY REPRESENTATIVE MET, MAY 22, WITH M S SIREGAR, DIRECTOR, DIRECTORATE OF ESSENTIAL GOODS, DIRECTORATE GENERAL OF DOMESTIC TRADE, DEPARTMENT OF TRADE IN CONNECTION WITH QUERY FROM SENATOR EAGLETON'S OFFICE REGARDING CAMEO MIXA CONTRACT TO SUPPLY 60,000 MT UREA TO INDAUS DEVELOPMENT CORPORATION ONE OF FIRMS AUTHORIZED BY GOI TO IMPORT CHEMICAL FERTILIZERS IN JAKARTA (REF B).

2. SIREGAR'S RESPONSE WAS ALONG FOLLOWING LINES:
GOI, DEPARTMENT OF TRADE, DOES NOT DEAL DIRECTLY, NOR HAS IT CONCLUDED ANY CONTRACT WITH ANY FOREIGN COMPANIES IN CONNECTION WITH SUPPLY OF UREA FERTILIZER. DEPARTMENT OF TRADE DOES NOT KNOW OF ANY AMERICAN COMPANY BY NAME OF UNITED OVERSEAS INVESTMENT COMPANY (REF A) NOR DOES IT KNOW MR NATHANIAL GUNN (REF B). DEPARTMENT OF TRADE DEALS ONLY WITH INDONESIAN COMPANIES ON IMPORT
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OF FERTILIZER AND ANY ARRANGEMENT MADE BY INDONESIAN

COMPANIES WITH THEIR SUPPLIERS ABROAD REGARDING FERTILIZER IMPORTS IS NOT BUSINESS OF DEPARTMENT OF TRADE. SIREGAR INDICATED THAT TO THE BEST OF HIS BELIEF THERE IS NO ONE IN HIS ORGANIZATION BY THE NAME OF RUSDY HARMAYN. SIREGAR ALSO REQUESTED EMBASSY WRITE A FORMAL LETTER TO THE MINISTER OF TRADE FOR AN OFFICIAL STATEMENT ON THIS SUBJECT. SUCH LETTER WILL BE SENT.

3. SIREGAR ALSO, SOMEWHAT BITTERLY, OBSERVED DEPARTMENT OF TRADE HAS ASKED US TO HELP IN LOCATING POSSIBLE SOURCES OF SUPPLY OF UREA LAST YEAR (REF C) WHEN GOI SCOURING WORLD IN ATTEMPT MEET ITS REQUIREMENTS AND TO BEST OF HIS KNOWLEDGE EMBASSY DID NOT RESPOND TO REQUEST. (EMBASSY DID NOT RPT NOT PASS BOILER PLATE INFORMATION CONTAINED REF D GENERAL MUSKITA SINCE IT WAS EMBASSY'S JUDGEMENT SUCH RESPONSE WAS INSULTING TO HIS INTELLIGENCE)

4. REF B ASKED "...IF DESIRABLE TREND EMERGING WITH RESPECT TO UREA SHIPMENTS AND IF REPRESENTATIONS ARE WARRANTED TO GOI." IT IS EMBASSY'S JUDGEMENT THAT PROBLEMS ARE INDEED EMERGING WITH REGARD TO DELIVERIES OF CHEMICAL FERTILIZERS TO INDONESIA. IN ADDITION TO PROBLEMS RAISED REF A AND B, EMBASSY HAS CONSULTED WITH THREE OTHER US SUPPLIERS IN PAST WEEK ON SIMILAR COMPLAINTS. ALL RPT ALL GOI AUTHORIZATIONS TO INDONESIAN IMPORTERS FOR IMPORT OF UREA AND OTHER CHEMICAL FERTILIZERS UNDER WHICH FULL DELIVERY HAD NOT BEEN COMPLETED BY FEBRUARY 18, 1975 HAVE BEEN CANCELLED. WHILE PRECIPITOUS SOFTENING OF WORLD MARKET PRICE FOR CHEMICAL FERTILIZER MAY BE FACTOR, SUPPLY POSITION IN INDONESIA, WE BELIEVE, IS BASIC CAUSE FOR THIS DECISION. GOI HAS JUDGED THAT SUPPLIERS OF UREA AND TSP/DAP/NPK ON HAND AND DOMESTIC PRODUCTION SUFFICIENT TO MEET REQUIREMENTS UNTIL 76-77 (OCTOBER-MARCH) WET SEASON. SET OUT BELOW IS OFFICIAL NATIONAL SUPPLY STATUS AS OF MAY 1, 1975.

A. UREA IN BAG AND BULK 975,076.3 METRIC TON
TSP/DAP/NPK IN BAG AND BULK 360,924.8 METRIC TON
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B. MONTHLY DOMESTIC PRODUCTION (ESTIMATE)
FOR UREA, AS FOLLOWS:
PUSRI I & II 38,000 METRIC TON
PETROKIMIA GRESIK 3,750 METRIC TON
TOTAL DOMESTIC PRODUCTION
PER MONTH 41,750 METRIC TON

C. AT THE END OF THIS YEAR IT IS ESTIMATED
THAT THERE WILL BE A STOCK OF SUPPLY OF UREA IN
INDONESIAN APPROXIMATELY 1.3 MILLION METRIC TONS
AND TSP/DAP/NPK APPROX 260,000 METRIC TON.
--CONSUMPTION OF FERTILIZER FOR THE FOOD SECTOR
(RICE & SECONDARY CROP):

	METRIC TON	
PLANTING -SEASONS	UREA	RSP/DAP/NPK
DRY-SEASON1975		
(APRIL-SEPT)	346,000	133,000
WET-SEASON 75-76		
(OCT-MARCH	737,000	262,000
TOTAL CONSUMPTION	1,073,000	395,000
NEWSOM		

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 28 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JAKART06391
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750185-0953
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750514/aaaaamhi.tel
Line Count: 129
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 100855, 75 STATE 114887
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 29 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 JUL 2003 by SilvaL0>; APPROVED <27 JAN 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FERTILIZER-CONGRESSIONAL INQUIRY AND REQUEST FOR INFORMATION
TAGS: BDIS, ID
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006